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Scheme for development of renewable energy sources in non-interconnected islands in Greece approved

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On 21 December 2021, the European Commission approved, under EU state aid rules, a €1.4 billion incentive scheme to promote renewable electricity deployment across 47 islands (including Crete) in Greece.⁽¹⁾ The 29 autonomous, non-interconnected island electricity systems in Greece (covering 47 islands) will be covered by the scheme until their eventual connection to mainland Greece. The scheme will be partly financed by the nation's recovery and resilience fund, paid out as part of Europe's post-Covid recovery package.

As a result of the programme, the above electricity systems will be supported by hybrid power stations, which both generate and store solar and wind-based electricity. The scheme is intended to supplant around 80% of electricity generation across these 47 islands, which currently depend on diesel and oil. As indicated by the Commission, adding storage facilities to renewable electricity generation units is necessary to increase the share of renewable energy sources in the electricity system on these islands, due to saturated grids. Through this programme, Greece aims to support 264 megawatts of new renewable electricity capacity by the end of 2026.

The Commission assessed the scheme and concluded that it is proportionate and limited to the minimum necessary. It is also in line with EU state aid rules and does not unduly distort competition in line with the European Green Deal. The aid was held to be necessary to contribute to the expansion of solar, photovoltaic and onshore wind energy in the Greek islands, as well as to the reduction of greenhouse gas emissions by replacing oil and diesel installations.

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Endnotes

(1) Case No. SA.58482.



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